



## THE CO-OPERATIVE FEDERATION of VICTORIA

(A member of the Co-operative Federation of Australia)

# CO-OPERATIVE INFORMATION

THE CO-OPERATIVE FEDERATION OF VICTORIA  
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## THE CO-OPERATIVE FEDERATION OF VICTORIA

### Co-operative Information

#### Regional Meeting in Bendigo

About 40 Directors and Chief Executives of Co-operatives from Swan Hill, Maryborough and the Bendigo region met in Bendigo one evening towards the end of March for a very informative and useful evening. Producers and consumers credit, retail trading and unemployed groups helping themselves by forming productive businesses, were some of the groups represented when matters of common interest were discussed with the object of developing practical programmes of co-ordination. The meeting was chaired by Mr. Ted Long, a member of the Victorian Government Co-operative Advisory Council. Two papers were presented, one by Mr. Graham Benson, General Manager of the LaTrobe Valley Savings Credit Society and a former President of the World Council of Credit Unions. Another paper was presented by Mr. Bill Rawlinson, Executive Officer of The Co-operative Federation of Australia. The papers dealt with the role and responsibilities of Co-operative Directors and making better use of Co-operative resources.

The meeting was successful from a social as well as from a Co-operative business point of view.

#### Leading U.S.A. Co-operative Lobbyist tells us How It's Done

Mr. Kenneth D. Naden, President of the National Council of Farmer Co-operatives in the U.S.A., recently addressed a lunchtime meeting of leading Victorian Co-operative directors/management.

He told us that 5 out of 6 U.S. farmers are members of one or more Co-operatives. The National Council represents about 90% of the more than 7,500 local farmer Co-operatives in that country, with a combined membership of about 2.5 million farmers.

It is organised to operate in the public policy field on Co-operative issues. He told us something of how the National Council is combating the strong anti-Co-operative lobby in the business community and in the legislature. He told us how Co-operatives in the U.S.A. develop strong member relations programmes to ensure their image as true Co-operatives remains constant, both for the benefit of their members and their legal protection. He told us of how the taxation laws work in that country and he emphasised that sophisticated farmers and Co-operative leaders in the U.S.A. believe in and follow the precepts set forth by a former chairman of the National Council:—

"Farmers live in a business world and a political world. In the business world no-one gives you a fair price just because you deserve it. You must develop sufficient market power to get the price you deserve. Likewise in the political world. No-one gives you a fair law because you deserve it. You must develop sufficient political power to enact the laws you deserve."

Mr. Naden reminded us that in the U.S.A., as in other countries, "Farmers are now learning the bitter truth that high performance and good behaviour are not enough to achieve equity in political and economic affairs. They are finding that everything worthwhile has to be fought for, sometimes bitterly, and that even their most cherished traditions and obvious truths will be challenged. They are finding that two conditions are necessary for the enactment of favourable legislation —

- (1) they must have a strong and persuasive case — that is logic, merit, justice and public interest must be on their side, and,
- (2) they must have the political power to influence the votes of individual politicians in key committees."

A copy of Mr. Naden's address is available in the office of The Co-operative Federation of Victoria.

#### Co-operatives in Schools

During the Christmas vacation the Federation Executive Officer acted as the Australian representative at an international symposium held at the UNESCO headquarters in Paris, France, concerned with discussion on the subject of Co-operatives in schools. Twenty four countries were represented and about one hundred delegates were present.

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Many countries have a long record of operations of Co-operatives in schools enabling students to obtain practical experience in operating their own businesses within the school to service their own needs and to provide practical experience in business activity and with such Co-operatives co-ordinated with classroom studies in economics, commerce, bookkeeping and business administration. This type of exercise has been found to be valuable, not only in providing students with skills which are valuable to them in these days of high unemployment and problems associated with seeking employment on leaving school but also in providing them with an introduction to the function and operations of Co-operatives and responsibilities of Co-operative membership.

Discussions have been held with the Victorian Department of Education and recommendations made that this type of activity should be considered for introduction into the Victorian Education system and into the Teacher Training curricula.

### **Legislation**

The Federation has been advised that amendments to the Co-operation Act will be introduced into the current Autumn session of Parliament. These amendments include requests from the Federation and also requests from the Victorian Credit Co-operative Association which have been supported by the Federation.

### **Directors' Education Programme**

Provisional arrangements have been made, subject to sufficient support being forthcoming, for evening courses for directors to be held in Melbourne on the following dates on the following subjects:

30th April 1980	Financial Performance
23rd July 1980	Financial Reporting — e.g. Profit and Loss Accounts, Balance Sheet and Cash Flows.
13th August 1980	Communication
24th September 1980	Board Manager Relationships
12th November 1980	Directors' Responsibilities

Enrolment forms will be attached to the information sheet for each evening seminar. Cost is anticipated to be about \$40 per participant. A Pre-Course information letter will be forwarded to participants approximately five days prior to commencement of the activity.

Requests for enrolment or for further information should be submitted to The Co-operative Federation of Victoria as early as possible.

### **Some Member Co-operatives of The Federation**

#### **The Y.C.W. Co-operative:**

The Board and Management of this Co-operative are founder members of the Federation and the Y.C.W. Co-operative was in fact one of the Co-operatives responsible for the research and developmental work bringing into being a Co-operative Federation of Victoria.

The Y.C.W. Co-operative is a retailing Co-operative with a difference. It began trading in 1949 and its facilities include furniture, floor coverings and insurance. In 1964 it started retailing school uniforms to a particular school and now the Co-operative supplies them to more than 100 State and private schools. The Board and Management considers the Co-operative has contributed some further advantage to parents and their schools by introducing and maintaining a substantial competitor into the school uniform business with good effects in regard to quality and price.

#### **Victorian Producers Co-operative**

An older but more recently admitted member of the Federation is the Victorian Producers Co-operative. This was established in 1910 and operates throughout the State of Victoria and spills over into South Australia and New South Wales through a 23 branch network.

V.P.C. is a primary producers Co-operative formed by primary producers, owned by primary producers, managed under the direction of a board of primary producers for the benefit of primary producers.

Surplus earned by the Co-operative, after allocation to reserves and provision for dividend on share capital is returned to members in the form of rebates with incentives for the members to increase their shareholding by the rebate distribution being on a sliding scale. This provides for members with, say, 200 or more shares to receive rebates at a rate of 50% higher than those with less than 100 shares. The rebate distribution is related to some of the specific commodities in which V.P.C. deals.

### **Trans National Hauliers Co-operative Limited**

This is a comparatively recently incorporated Co-operative and also recently admitted into membership of the Federation. The Trans National Hauliers Co-operative Limited is a group of owner/drivers concerned about the future of the owner/driver and the small transport operator in an increasingly competitive world.

These owner/drivers realised the need for organising themselves, not only to become more profitable but to obtain the benefits of group activity at the same time retaining their independence. The Co-operative takes a completely impartial stance and gets on with the job of making life better for everyone without getting involved in political activity or confrontation.

### **A Co-operative is a Unique Form of Enterprise**

A Co-operative is often described as "a business organisation owned by those who use its services, control of which rests equally with all members, and the surplus earnings of which are shared by members in proportion to the use they make of the service".

### **What Do Co-operatives have In Common?**

Irrespective of the industry for which they are set up to serve, Co-operatives subscribe to the basic principles of Co-operation which act as guidelines for Co-operatives throughout the world. These principles were reviewed by an international commission which published their findings in 1966 to a World Congress of the International Alliance.

These principles are:

#### **1. OPEN AND VOLUNTARY MEMBERSHIP**

Membership in a Co-operative should be voluntary and available without artificial restriction or any social, political or religious discrimination to all persons who can make use of its services and who are willing to accept the responsibilities of membership.

#### **2. DEMOCRATIC CONTROL**

Co-operatives are democratic organisations. Their affairs should be administered by persons elected or appointed in a manner agreed by the members and be accountable to them. Members of primary Co-operatives should enjoy equal rights of voting (one member — one vote) participation in decisions affecting their organisations. In other than primary Co-operatives the administration should be conducted on a democratic basis in a suitable form.

#### **3. LIMITED INTEREST ON SHARES**

Co-operative capital, being service capital rather than investment capital is paid a limited rate of interest.

#### **4. RETURN OF SURPLUS TO MEMBERS**

Surplus or savings, if any, arising out of the operations of a Co-operative belong to members and should be distributed in such a manner as would avoid one member gaining at the expense of others. This may be done by decision of the members as follows:

- (a) By provision for development of a business of a Co-operative.
- (b) By provision of common services, or,
- (c) by distribution among the members in proportion to their transactions with the Co-operative.

#### **5. CO-OPERATIVE EDUCATION**

All Co-operatives should make provision for education of their members, officers and employees and of the general public in the principles and techniques of Co-operatives, both economic and democratic.

#### **6. CO-OPERATION AMONG CO-OPERATIVES**

All Co-operatives in order to best serve the interests of their members, and their communities, should actively collaborate in every practical way with other Co-operatives at local national and international levels.

It should be noted that not every Co-operative subscribes to all six principles. However, generally the first four basic principles are subscribed to by most Victorian Co-operatives.

#### **Contrasts with Investor Owned Business**

Co-operatives, as part of the private enterprise system differ from other types of business in many ways.

##### **INVESTOR OWNED BUSINESS**

Essentially a union of capital.  
Organisation of investors.  
Organised by entrepreneurs to attract and serve customers.  
Controlled by majority of shares.  
  
Profits belong to the corporation and are distributed and decided by the Board of Directors, usually in proportion to the shareholdings.  
Constant vigilance is needed to prevent takeover of Australian businesses and industry by foreign interests.

##### **CO-OPERATIVE BUSINESS**

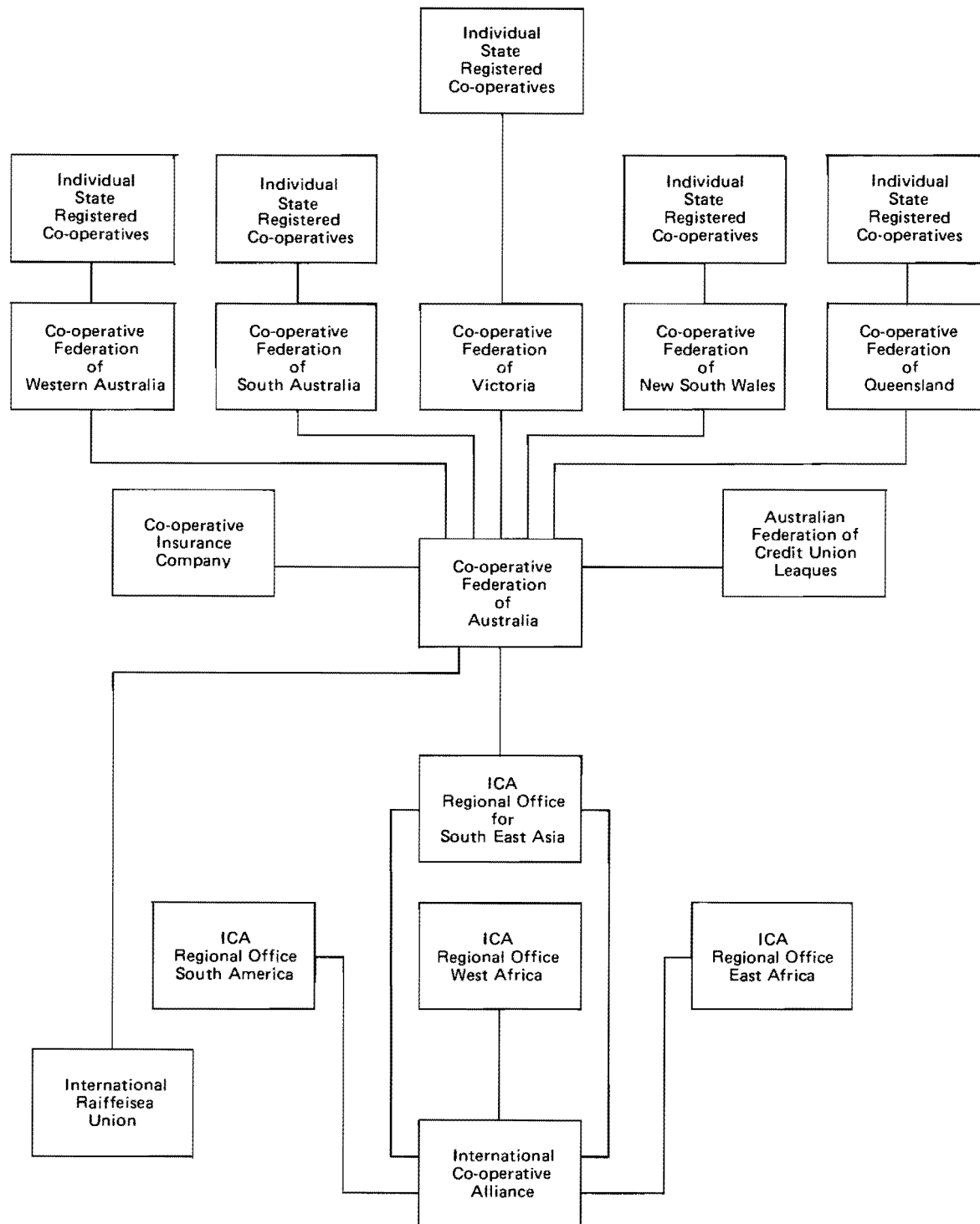
Essentially a union of people.  
Organisation of users.  
Organised by people to serve themselves.  
  
Controlled by a majority of persons who are members.  
They belong to the user members and are distributed by the membership, usually in proportion to the support of their Co-operative.  
  
The Co-operative system is one that guarantees Australian control of Australian enterprises.

#### **Western Australia's Premier's Views**

When opening the 60th Annual Conference of The Co-operative Federation of Western Australia, Sir Charles Court said (amongst many other things)

"... I was once challenged as to whether my support of Co-operatives was contrary to my great commitment to private enterprise. In fact one very prominent politician twenty years ago said he thought Co-operation was the purest form of socialism. I responded by saying — if that is so, let's have more of it. In my mind true Co-operatives are the very heart of private enterprise. Co-operation is people having to get together on their own initiative, not brought together by governments nor directed but brought together on their own initiative, their own motivation to try to do something better. . ."

## YOU – YOUR CO-OPERATIVE – THE CO-OPERATIVE WORLD



**VICTORIA**  
**AUSTRALIA**  
**INTERNATIONAL CO-OPERATIVE ALLIANCE**  
 64 COUNTRIES

3,400 CO-OPERATIVES  
 9,950 CO-OPERATIVES  
**INTERNATIONAL CO-OPERATIVE ALLIANCE**  
 742,000 CO-OPERATIVES

500,000 MEMBERS  
 2,700,000 MEMBERS  
 355,000,000 MEMBERS